

APPENDIX B

APPENDIX B
NOOKSACK INDIAN TRIBE - STATE OF WASHINGTON
GAMING COMPACT

NOOKSACK TRIBAL ORDINANCE - TITLE 59

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ORDINANCE OF THE NOOKSACK TRIBE
INCORPORATING
THE NOOKSACK ECONOMIC DEVELOPMENT CORPORATION

TITLE 59

59.01 PURPOSE

59.01.010 PURPOSE OF ORDINANCE: The Nooksack Tribal Council does by this Ordinance charter a public corporation to be known as the Nooksack Economic Development Corporation and enacts this Ordinance which shall constitute the Charter of the Corporation.

59.02 DECLARATION OF NEED, HISTORY, AND CHARTERING AUTHORITY

59.02.010 DECLARATION OF NEED AND HISTORY: Economic development has emerged as a high priority commitment on Indian reservations just as tribal governments are finding themselves burdened by many new, complex responsibilities. The Tribal Council often lacks the time to develop the needed expertise and to plan, implement and monitor new tribal business ventures. The result is often an adhoc approach or a reluctance to participate fully to maximize the profits the business ventures could provide both to the tribe itself and to its individual members. The task before any tribe interested in creating economic development is to create a tribal economic development unit with the mandate to consolidate and strengthen existing tribally owned businesses and to undertake future economic development activities. In addition to the improved business planning which arises from the creation of a separate economic unit solely devoted to tribal businesses, there are definite benefits to the tribe and its members in the creation of a separate management unit for economic development issues related to the need of the tribal businesses to be insulated from the day to day affairs of the tribe and tribal politics.

59.02.020 CHARTERING AUTHORITY: The Nooksack Tribal Council grants this Charter based upon the authority vested in it by Article VI of the Constitution and by-laws of the Nooksack Tribe and pursuant to the exercise of the sovereign rights reserved to the Nooksack Tribe by the United States Constitution, the Indian Reorganization Act of June 18, 1934 (48 stat.984) as amended by the Act of June 15, 1935 (49 stat. 378) and the Constitution and By-laws of the Nooksack Indian Tribe, adopted by the Nooksack Indian Tribe on

July 27, 1973 and approved by the Secretary of the Interior on September 24, 1973.

59.03 IDENTITY, PLACE OF BUSINESS AND SEAL

59.03.010 NAME: The official name of the Corporation shall be "The Nooksack Economic Development Corporation."

59.03.020 PLACE OF BUSINESS: The principal place of business of the Nooksack Economic Development Corporation shall be located on the Nooksack Indian Reservation, and until changed, shall be in the Tribal Headquarters on the reservation in Deming, Washington. The Corporation may also have such other places of business as the Board of Directors of the Corporation may designate.

59.03.030 SEAL: The seal of the Corporation shall consist of such design as the Board of Directors shall designate.

59.04 DURATION AND ATTRIBUTES OF THE CORPORATION

59.04.010 DURATION: The Corporation shall continue until it is dissolved pursuant to NTCL 59.18.010.

59.04.020 SEPARATE ENTITY: The Corporation is an entity separate and distinct but wholly owned by the Nooksack Tribe. Neither the Nooksack Tribe nor any of its assets nor those of members of the Nooksack Tribe, including private and trust property, shall be subject to the payment of debts of, or to the satisfaction of the obligations of the Corporation to any extent whatsoever.

59.04.030 ATTRIBUTES: The Corporation is created and is subject to the jurisdiction, laws and ordinances of the Nooksack Tribe. The actions hereby taken by the Nooksack Tribal Council expressly reserve to the Nooksack Tribe all of its inherent sovereign rights as an Indian Tribe with regard to the activities of the Corporation and confer the privileges and immunities of such rights, as limited herein, to the Corporation. Nothing in this Charter shall be deemed or construed to be a waiver of sovereign immunity from suit, except as provided in NTCL 59.04.020, or to be a consent by the Nooksack Tribe, the Corporation, or the United States to the jurisdiction of the United States or any State thereof with regard to the business or affairs of the Corporation or to any cause of action, case or controversy to which the Corporation is a party, except as specifically set forth herein.

59.05 PURPOSES AND OBJECTIVES

59.05.010 PURPOSES AND OBJECTIVES: The primary purpose of this Chapter is to establish and authorize the Corporation to act on the Tribe's behalf with respect to all income producing enterprises owned by the Nooksack Indian Tribe as a separate and distinct entity from that of Tribal government. Other purposes and objectives are stated as follows:

- a. to develop tribal resources in an orderly manner and to maximize shareholder wealth derived from such benefits on behalf of the Nooksack Tribe and its members;
- b. to provide for the separation of the Tribe's economic development management systems from the governmental and political processes of the tribe;
- c. to provide opportunities for investing tribal and corporate resources in future enterprises based on viability, feasibility, efficiency, and profitability;
- d. to generate revenue and to maximize profits inuring to the benefit of the Corporation and the tribe to provide necessary governmental services and other direct benefits to tribal members;
- e. to do any and all activities which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the foregoing purposes and objectives, either directly or indirectly, and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments or agencies.

59.06 POWERS OF THE CORPORATION

59.06.010 CORPORATE POWERS: In furtherance, but not in limitation, of the foregoing economic development purposes, the Corporation shall have the following powers:

- a. to purchase, take, receive, lease, solicit, take by gift, devise, or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with money, securities, real and personal property, rights and services of any kind and description, or any interest therein, PROVIDED, that the Corporation shall have authority to purchase or exchange real property, whether located on or off the Nooksack Indian Reservation, only upon adoption by the Tribal Council of a resolution approving each such action by the Corporation;
- b. to sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets, PROVIDED that title to all trust or restricted real property shall be and remain in its trust or

restricted status, and PROVIDED FURTHER, that the Corporation shall have authority to sell, convey, mortgage, exchange or transfer real property, whether located on or off the Nooksack Indian Reservation, only upon adoption by the Tribal Council of a resolution approving such action of the Corporation;

c. to borrow money and to make, accept, endorse, execute and issue bonds, debentures, promissory notes, guarantees, and other obligations of the Corporation for monies borrowed, or in payment for property acquired or for any of the purposes of the Corporation, and to secure payment of any such obligations by secured interest, mortgage, pledge, deed, indenture, agreement or other instrument of trust, or by other lien upon assignment of or agreement in regard to all or any part of the property, rights or privileges of the Corporation, except as provided in sections (a) and (b) above. The Corporation may, in the documents evidencing any secured interest, mortgage, pledge, deed or indenture, consent to the jurisdiction of a court of the Nooksack Tribe over such of the Corporation's property as shall be specifically made subject to such secured interest, mortgage, pledge, deed or indenture. Nothing herein confers power on the Corporation to mortgage, pledge, or encumber property of the Nooksack Tribe;

d. to arbitrate, compromise, negotiate, or settle any dispute related to the Corporation's authorized activities to which it is a party;

e. to enter into, make, perform and carry out or cancel and rescind contracts for any lawful purpose pertaining to its business or which is necessary or incidental to the accomplishment of its purposes as outlined herein;

f. to invest and reinvest its funds in such mortgages, bonds, notes, debentures, shares or preferred and common stock, and any other securities of any kind whatsoever and property, real personal or mixed, tangible and intangible, as the Board of Directors of the Corporation shall deem advisable and as may be permitted under applicable law or ordinance, PROVIDED that the Corporation shall have authority to invest or reinvest in real property, whether located on or off the Nooksack Indian Reservation, only upon adoption by the Tribal Council of a resolution approving such action by the Corporation;

g. to furnish management, administrative and other business advice, support, training and technical assistance to Nooksack Indians involved in business ventures and programs owned, operated or assisted by the Corporation;

h. to conduct educational activities designed to provide instruction or training of Nooksack Indians in technical, language and job skills;

i. to engage in the activities of owning and operating business ventures providing job training, employment and managerial development opportunities to Nooksack Indians;

j. to elect or appoint officers and agents of the Corporation and define their duties and fix their compensation, PROVIDED that such elections or appointments comply with the hiring policies established by the Nooksack Economic Development Corporation;

k. to make and alter By-laws, not inconsistent with this Chapter, for the administration and regulation of the affairs of the Corporation;

l. to sue and to be sued in the Nooksack Tribal Court in causes of action arising from its business and related activities, including any debt, contract, guarantee, mortgage, lien, pledge or tort, over which the Nooksack Indian Tribal Court has jurisdiction, specifically including debts, contracts, obligations or torts of individual Nooksack Indians. The Corporation shall have no power or authority to consent to the jurisdiction of a court of the United States or of a State, or to waive such immunity from suit in any court without the adoption of a resolution approving such consent by the Nooksack Tribal Council, acting at a duly called and held meeting;

m. to conduct its affairs, carry on its operations and exercise the powers granted under this Charter in any state, territory, district, or possession of the United States, or in any foreign country.

n. to engage in any and all activities which will directly or indirectly carry out the purposes and objectives of the Corporation as set forth in Article IV above.

59.06.020 POWERS NOT PURPOSES: The powers enumerated herein shall not be construed as purposes, but the Corporation shall have and exercise such powers solely in furtherance of, but not in addition to, the limited purposes set forth in NTCL 59.05. Moreover, the activities of the Corporation, as permitted by the purposes, objectives, and powers herein stated, shall be in compliance with all the rules and regulations duly adopted and promulgated by the regulatory agencies, commissions and committees duly established by the Nooksack Tribal Council.

59.07 LIMITATION OF POWERS

59.07.010 LIMITATION OF POWERS: Unless expressly authorized under this Charter or by resolution of the Nooksack Tribal Council, the Corporation may not:

a. expressly or impliedly enter into agreements of any kind on behalf of the Nooksack Tribe;

b. pledge the credit of the Nooksack Tribe;

c. dispose of, pledge, or otherwise encumber real or personal property of the Nooksack Tribe, unless specifically authorized by the Nooksack Tribal Council as provided herein;

- d. secure loans or incur indebtedness requiring any obligation, contribution or guarantee on the part of the Nooksack Tribe;
- e. waive any right of, or release any obligation owed to the Nooksack Tribe;
- f. waive any other rights, privileges, or immunities of the Nooksack Tribe;
- g. exercise governmental functions, such as zoning, licensing or police powers, with respect to Nooksack Tribal lands. Such powers are reserved and shall be exercised exclusively by the Nooksack Indian Tribe.

59.08 STRUCTURE AND MANAGEMENT

59.08.010 BOARD OF DIRECTORS: The affairs of the Corporation shall be managed by a Board of Directors composed of seven persons, three of whom shall be non-tribal members and four of whom shall be registered members of the Nooksack Indian Tribe. The Board of Directors shall also have one member of the Tribal Council as an ex-officio member who shall not have the right or power to vote on matters before the Board of Directors.

59.08.020 SELECTION OF DIRECTORS: The Board of Directors shall be appointed by the Nooksack Tribal Council from nominees submitted by the Tribal Affairs Officer, the Board of Directors of the Corporation, and members of the Tribal Council. The Board must always include one member of the Council to serve as the ex-officio member and who shall be appointed annually. The Council must appoint persons with recognized background, experience, expertise, and demonstrated success in the fields of business, finance, merchandising, and other fields related to the ongoing operations of the Corporation. It shall appoint persons currently active in those fields and who will ideally try to have at least one appointee connected with banking, one active in the field of merchandising, one in the field of accounting, and one in the field of law.

59.08.030 TERMS OF DIRECTORS: The term of office for the ex-officio member from the Council shall be for one year and that of other Board members for three years and shall run from July 1 to July 1 of each calendar year. Appointments to the Board shall be made by the Council annually during the month of June. When the Corporation is first established, the Tribal Council shall designate one of its members and two Board members at large to a one year term, three Board members at large for a two year term, and two Board members at large for a three year term. Thereafter, except for the position of the member from the Council, the appointment shall be for three years except in the filling of a vacancy the appointment shall be for the length of the

unexpired term. Each incumbent Board member shall continue to serve until his or her successor actually assumes office.

59.08.040 SELECTION OF OFFICERS: The Board of Directors shall annually in the month of June name one of the Directors who will serve after July 1 as Chairman of the Board of the Corporation. The appointment of the Chairman of the Board shall be confirmed by the Tribal Council prior to appointment becoming effective. The Board shall annually in the month of July elect from among its members a Vice-Chairman, a Secretary and a Treasurer. Any member may hold two of these positions except that the Chairman and the Vice-Chairman must be different persons.

59.08.050 RESIGNATION BY DIRECTOR: Any Director may resign at any time, either by oral tender of resignation at a meeting of the Board or by giving written notice thereof to the Secretary. Such resignation shall take effect at the time specified therein, and, unless otherwise specified, acceptance of such resignation by the Board or the Tribal Council shall not be necessary to make it effective. The Secretary of the Corporation shall immediately notify the Tribal Council of any resignation.

59.08.060 REMOVAL OF DIRECTOR: Any Director may be removed, with or without cause, by the affirmative vote of four members of the Board of Directors at a meeting of the Board called expressly for that purpose, or by the affirmative vote of five members of the Tribal Council at a meeting of the Tribal Council, whenever, in their judgment the best interests of the Corporation would be served thereby. The Secretary shall immediately notify the Council of the removal of a Director by the Board. Any officer may be removed, with or without cause, in the manner provided above for the removal of a Director. The unexpired term of each removed officer shall be filled by the Board except the Tribal Council must confirm the appointment to fill a vacancy in the office of Chairman.

59.08.070 VACANCIES: Any vacancy because of death, resignation, removal or other reason occurring on the Board and any Directorship to be filled by reason of an increase in the number of Directors shall be filled by appointment by the Council. A Director elected to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

59.08.080 COMPENSATION OF DIRECTORS: The Directors shall not, except with the approval of the Council, receive compensation for their services, but shall be entitled to reimbursement for expenses, including travelling expenses, incurred in the discharge of their official duties.

59.08.090 DUTIES OF OFFICERS: The officers of the Board of Directors shall have the following duties:

a. The Chairman and Vice-Chairman shall perform the function and duties customary for such officers on the Board of Directors with the Vice-Chairman always acting in the absence of the Chairman. Each shall perform such other duties as from time to time may be prescribed by the Board.

b. The Secretary shall keep or cause to be kept the minutes of the meeting of the Board, see that all notices are duly given, be custodian of the Corporation's records and in general perform all duties incident to the Office of Secretary and such other duties that the Board may direct. The Board may delegate all or part of the record keeping function of the Secretary to a clerical employee.

c. The Treasurer, except to the extent that the same shall be delegated to Management, shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for monies due and payable from any source whatsoever, deposit all such monies in the name of the Corporation in proper depositories and in general perform all duties incident to and customary for the Office of the Treasurer in any similar corporation and perform such other duties as may be prescribed by the Board.

59.08.100 OTHER OFFICERS: The Board may appoint other officers, assistant officers and employees who shall perform such duties assigned to them by the Board or its authorized representative.

59.08.110 REGULAR MEETINGS: Regular meetings of the Board shall be held on the first Wednesday of every month or on another date set by the Chairman or by the Board. They shall be for the primary purpose of reviewing the preceding month's operations, making plans for the current month's operations and the transaction of such other business as may come before the meeting. At the annual meeting the Directors shall review the preceding year's operations, make plans for the ensuing year's operations, elect officers and transact such other business as may come before the meeting. The regular meetings may be recessed from time to time, and may, if necessary, be continued to a succeeding day or days.

59.08.120 SPECIAL MEETINGS: Special meeting of the Board may be called on three days written notice by the Chairman or any two members of the Board or by the Tribal Council. Notice is not required if all Board members are present.

59.08.130 QUORUM: Five members in attendance, notwithstanding any vacancies, shall constitute a quorum.

59.08.140 ACTION BY THE BOARD: The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number is required elsewhere in this Charter. Each member of the Board including the Chairman shall be entitled to one vote.

59.08.150 ACTION OF BOARD BY WRITING: Any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors. Such action by unanimous consent must be in the hands of the Chairman within twenty days following initiation of such action.

59.08.160 GENERAL MANAGER (G.M.): The Board shall appoint and employ a General Manager hereafter called "G.M.", who shall not be a member of the Board of Directors, nor a member of the Tribal Council.

59.08.170 RESPONSIBILITIES OF G.M.: The G.M. shall be responsible for the ongoing business of the Corporation and shall be in charge of the Corporation office and staff and the custodian of all of its records, equipment and supplies. He or she shall be the supervisor of all the Corporation's employees, having, subject to preemption by the Board, authority to enter into employment agreements to employ needed personnel and to hire and fire except that in such hiring or firing he or she must comply with applicable Tribal and Corporation rules and regulations including that of the Tribal Employment Rights Ordinance, except insofar as the same may be waived by the Council.

59.08.180 FINANCE OFFICE: The G.M. is responsible for the establishment of a Corporation Finance Office and through it to keep accurate financial records and accounting documents, including, but not limited to, quarterly profit and loss statements, annual financials limited to, quarterly profit and loss statements, annual financial statements, and periodic audit reports for each enterprise under the control of the Corporation.

59.09 TRANSFER OF ASSETS

59.09.010 TRANSFER OF ASSETS: The existing assets of the Deming Quick Stop and all the other assets listed in the Appendix to this Charter shall, as of the effective date of this Charter, be transferred to the Corporation by this document and be accounted for thereafter in accordance with generally accepted accounting principles and with applicable ordinances and statutes. The Tribal Council may assign other existing or planned Tribal business enterprises to the Corporation by Council Resolution concurred in by the Board.

59.10 RECORDS, ACCOUNT PRACTICES AND AUDITS

59.10.010 CORPORATE RECORDS AND PROCEDURES: The Corporation and its officers shall establish and maintain appropriate written procedures, records, and accounting and financial systems consistent with generally accepted business practices.

59.10.020 PAYMENT OF COSTS AND REPORTS: The Corporation shall pay and discharge all costs consistent with approved budgets and shall issue monthly financial reports and provide an Annual Report to the Nooksack Tribal Council.

59.10.030 ANNUAL AUDIT: The Corporation shall cause to be completed an annual audit within 120 days after the end of the fiscal year. Such audit shall be completed by a certified public accounting firm.

59.10.040 AUDIT BY TRIBAL COUNCIL: The Nooksack Tribal Council, upon written notice to the Corporation, shall have the right to conduct its own audit of the Corporation's records relative to the operation of the Corporation. The Tribal Council shall bear the cost of such an audit.

59.10.050 ACCESS TO RECORDS BY TRIBAL COUNCIL: The Nooksack Tribal Council or its duly appointed representatives may, during normal business hours, have reasonable access to accounting records maintained on behalf of the Corporation.

59.11 TAXES AND DISTRIBUTION OF REVENUE

59.11.010 FINANCIAL SUPPORT TO GOVERNMENT: This Charter is granted upon the condition that the Corporation will provide financial support to the government of the Nooksack Indian Tribe. No distribution of earnings or profit shall be made to any individual by the Corporation, PROVIDED, HOWEVER, that this provision shall not prohibit the payment of appropriate costs of doing business including, but not limited to, salaries, mileage, per diem expenses or incentives.

59.11.020 GROSS REVENUE TAX: The Corporation shall annually pay to the Nooksack Tribe, as a condition for the exercise of the rights and privileges granted hereunder and in exchange for the benefits and services provided to the Corporation by the tribe, a tax of 2% of the gross revenues of the Corporation derived from operations. The obligation of the Corporation to

make the payments provided by this section shall accrue as of the last day of the fiscal year of the Corporation for such fiscal year.

59.11.030 NET INCOME TAX: The Corporation shall annually pay to the Nooksack Tribe, as a condition for the exercise of the rights and privileges granted hereunder, a tax measured by the net income of each business venture (as defined in NTCL 59.11.050) owned or controlled by the Corporation, at the rate of 50% of the annual net income in excess of \$50,000 of each such business venture. The obligation to pay the tax shall accrue as of the last day of the fiscal year of each business venture.

59.11.040 TRIBAL REVENUE CODE: Following promulgation of the Revenue Code of the Nooksack Indian Tribe, duly adopted by the Tribal Council, the obligation of the Corporation to make annual payments to the Nooksack Tribe pursuant to such Revenue Code shall supersede and be in lieu of the payment obligation set forth in NTCL 59.11.020 and 59.11.030.

59.11.050 BUSINESS VENTURE: The term "business venture" as used herein means either:

a. any enterprise chartered by the Tribal Council, or any corporation chartered under the laws of any state of the United States, a majority of the capital stock of which is owned by the Corporation or with regard to which the Corporation has the right to appoint a majority of the members of the governing body; or

b. each continuing business activity carried on by the Corporation, the financial result of which is separately reported as a division or branch of the Corporation in the financial statements of the Corporation prepared and submitted as required by NTCL 59.11.070.

59.11.060 "NET TERM" DEFINED: The term "net income" as used herein means the profit before taxes of a business venture after deduction of all expenses as reported in the venture's financial statements for each fiscal year prepared by independent certified accountants, which financial statements, when prepared for the Corporation as a whole, shall be certified.

59.11.070 ANNUAL REPORT TO TRIBAL COUNCIL: The Corporation shall annually file reports with the Tribal Council within 90 days of the end of the fiscal year of the Corporation or within 90 days of the end of the fiscal year of any business venture as defined in NTCL 59.11.050, if such fiscal year is different from that of the Corporation, which shall describe:

a. the business done or intended to be done by the Corporation or a business venture;

b. material changes and developments since the last report in the business described, including a description of competitive conditions, research and development activities, new lines of business conducted by the Corporation or its subsidiary enterprises, the approximate amount of total sales and revenue, and income (or loss) attributable to each line of business which accounted for more than 10% of total sales and revenues;

c. any material pending legal proceedings to which the Corporation or a business venture in which it is a legal party; and

d. audited financial statements of the Corporation, including a consolidated balance sheet and consolidated statements of income and source and application of funds for each such fiscal year.

The Corporation shall annually prepare and, not less than thirty days prior to the annual meeting of the General Council, mail to each voting member of the Nooksack Tribe a summary of the information contained in the report prepared pursuant to the preceding paragraph and shall, upon the written request of any voting member of the Nooksack Tribe, mail to such member its most recent quarterly financial statement, showing its assets and liabilities and the results of its operations.

59.12 BONDING AND INSURANCE

59.12.010 FIDELITY BONDS REQUIRED: The Treasurer, Assistant Treasurer, and all other officers, managers, agents and employees of the Corporation who handle fund of the Corporation in any manner and any other officers, agents and employees of the Corporation specifically designated by the Board shall execute Fidelity Bonds in favor of the Corporation in penal sums of at least \$25,000 or in larger amounts specified by the Board. Each such Fidelity Bond shall be executed by the officer, agent or employee as principal and by a Corporate Surety Company approved by the Board, PROVIDED HOWEVER, that Blanket Bonds may be employed in lieu of individual bonds. All premiums for Fidelity Bonds shall be paid by the Corporation and shall be a corporate expense.

59.12.020 LIABILITY AND OTHER INSURANCE: The Board, through the G.M., shall acquire and maintain liability insurance and insurance against fire, theft, vandalism, casualty and other dangers and hazards sufficient to give adequate coverage to the Tribe, the Corporation and any business venture being managed and governed by the Corporation.

59.13 INDEMNIFICATION OF DIRECTORS AND OFFICERS

59.13.010 INDEMNIFICATION BY CORPORATION: The Corporation shall indemnify any and all persons who may serve or who have served at any time as directors or officers, or who, at the request of this Corporation, may serve or at any time have served as director or officer of another corporation in which this corporation owns a majority of the shares of the capital stock, and their respective heirs and personal representatives against any and all cost and expenses which may be imposed upon or incurred by him or her in connection with or resulting from claim, action, suit or proceeding in which such person may be involved by reason of his or her being or having been a director or officer of this Corporation, or of such other corporation.

59.13.020 SCOPE OF INDEMNIFICATION: This indemnification shall be effective whether or not such person continues to be a director or officer of this Corporation, or of such other corporation, at the time such costs and expenses are imposed or incurred.

59.13.030 "COSTS AND EXPENSES" DEFINED: As used herein, the term "costs and expenses" shall include, but shall not be limited to, counsel fees and amount of judgments against and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by any such director or officer, other than amounts paid to the Corporation itself: PROVIDED, HOWEVER, that no such director or officer shall be indemnified in any action, suit or proceeding in which he shall be adjudged liable for his own negligence or misconduct in the performance of his duty to the Corporation.

59.14 CONTRACTS WITH INSIDERS

59.14.010 CONTRACTS WITH INSIDERS: A director or officer of the Corporation shall not be disqualified by his or her office from dealing or contracting with the Corporation either as a vendor, purchaser, or otherwise; nor shall any transaction or contract of the Corporation be void or voidable by reason of the fact that any director or officer is a shareholder, officer or director, is in any way interested in such transaction or contract, provided that such transaction or contract is or shall be authorized, ratified, or approved either (1) by a vote of a majority of the Board of Directors, or (2) by the written consent or by the vote of the Nooksack Tribal Council; nor shall any director or officer be liable to account to the Corporation for any profits realized by or from or through such transaction or contract authorized, ratified or approved as herein provided by reason of the fact that he or she, or any firm of which he or she is a member or any corporation of which he is a stockholder, officer or director, was interested in such transaction or contract. Nothing herein

contained shall create liability in the event above described, or prevent the authorization or approval of such contracts in any other manner permitted by law.

59.15 COMPLIANCE WITH APPLICABLE LAW

59.15.010 COMPLIANCE WITH APPLICABLE LAW: The Corporation and its directors, officers, agents and employees shall, while engaged in the business and affairs of the Corporation, comply with all provisions of applicable law including Federal and Tribal laws.

59.16 AMENDMENTS

59.16.010 AMENDMENTS: This Charter may be amended by a vote of a majority of the Directors, but no amendment shall be effective until approved by the Tribal Council. Likewise, the Tribal Council may amend this Charter, but its amendment shall not be effective until approved by the Board of Directors of the Corporation.

59.17 BY-LAWS

59.17.010 BY-LAWS: The Board of Directors of the Corporation may adopt By-laws not inconsistent with this Charter.

59.18 DISSOLUTION

59.18.010 DISSOLUTION OF CORPORATION: The Corporation may be dissolved upon:

- a. adoption of a resolution providing for dissolution of the Corporation by the affirmative vote of two or two thirds of the Board of Directors, or;
- b. adoption by the Tribal Council or an ordinance proposing dissolution of the Corporation, followed within 90 days by a vote approving such dissolution by a majority of the members of the General Council present and voting at any regular or special meeting of the General Council

59.18.020 DISTRIBUTION OF ASSETS: Upon winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to the Tribal Council or to such other Nooksack Tribal organization or enterprise, duly designated by the Tribal Council, so as to insure that the assets of the Corporation will be used exclusively to accomplish the general purposes for which the Corporation is organized.